

Testimony of Jeff Farber
Chief Operating Officer
L.A. Family Housing

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Chairman Ney, Ranking Member Waters, and members of the Subcommittee on Housing and Community Opportunity, thank you for the opportunity to offer testimony today focusing on “Section 8 Housing Assistance Program: Promoting Decent Affordable Housing for Families and Individuals Who Rent”.

I am Jeff Farber, Chief Operating Officer for L.A. Family Housing (LAFH). Founded in 1983, LAFH is a leading non-profit housing development corporation that provides housing and supportive services to homeless and low-income families and individuals throughout Los Angeles. Since its inception, LAFH has provided emergency shelter, transitional living centers, permanent affordable rental housing, homeownership opportunities and a wide range of supportive services to more than 60,000 individuals needing assistance in the San Fernando Valley, East Los Angeles and South Central Los Angeles. Our services are delivered at 29 facilities by a diverse and talented staff of 130 employees and over 1,000 community volunteers. Since 1987, 97% of the families completing agency programs have maintained permanent housing and stable income.

We operate in a region that is sorely lacking in affordable housing. Based on population growth, the Southern California Association of Governments calculates that the City of Los Angeles will need 60,280 new units in a seven and a half year period between 1998 and 2005 or about 8,000 new units a year. Of this number, 3,787 must be affordable to households earning less than 80 percent of median income. The allocation includes about 10,000 units of replacement housing.

L.A. Family Housing opposes the proposal to convert the Section 8 Housing Voucher Program into a block grant to the states. We consider Section 8 vouchers to be an essential component of the solutions to the affordable housing crisis in Los Angeles and across the nation – production, preservation and income subsidies.

Currently over 50,000 households receive Section 8 assistance through the Housing Authority of the City of Los Angeles and

over 20,000 through the Housing Authority of the County of Los Angeles. Thousands of these households participate in tenant-based specialty programs including the Homeless Program, Veterans Affairs Supportive Housing, HOPE For Elderly Independence, and Welfare-To-Work Vouchers and project-based specialty programs including SRO Project-Based Assistance and Special Needs Project-Based Assistance.

Our organization participates in partnership with the Housing Authorities on many different Section 8 programs. Local leadership of the Housing Authorities has led to the creation of many innovative programs promoting affordable housing opportunities to those in need including the nationally recognized Homeless Section 8 Program. Through our partnership with the Housing Authorities of both the City and County of Los Angeles, we are able to place 100 to 150 homeless households annually in safe, decent and affordable housing. In this model, we refer Section 8 eligible households residing in our emergency shelter and transitional living programs to the respective housing authority for vouchers. We provide the clients with a variety of supportive services including tenant skills education, housing search assistance and case management. Through this program, we have assisted over 900 homeless households secure and maintain affordable housing in the last 10 years. It is a testament to the success of the existing Section 8 Housing Voucher Program that the families assisted by the various Section 8 programs are able to reside in stable living situations.

H.R. 1841, the Housing Assistance for Needy Families Act of 2003, attempts to address the administration of the voucher program. However, its approach is heavy-handed and fails to recognize the improvements made nationally to the program over the last several years. Nationwide, utilization of the program has increased to such an extent that HUD has intimated that it will not reallocate unused vouchers this year because there are not enough to justify implementing the reallocation process. Additionally, switching from one set of administrative rules known and used by all jurisdictions to at least 51 sets of rules creates incredible complications and difficulties. Furthermore, block granting the program adds an additional layer of bureaucracy. Finally, relying on local codes to determine housing quality creates the potential for rules to vary from locality to locality.

H.R. 1841 fails to guarantee that the funding of the housing voucher program will keep pace with housing costs. Currently, Congress adjusts voucher funding each year based on changes in actual costs, to ensure that housing agencies have sufficient funds to cover all vouchers that families are using. A block grant would eliminate this funding structure and allow Congress to simply pick a lump sum to appropriate each year without linking to the actual number of families using vouchers and adjustment for rising rents. In Los Angeles, almost 75% of families with annual incomes of \$26,000 or less – 120,000 families – spend more than half of their incomes on rent. In the City of Los Angeles, the average two-bedroom apartment rents for about \$1,100 per month. Using the HUD guideline that a family should not spend more than 30% of their income on housing costs, a household needs to earn over \$21 per hour or \$44,000 per year to afford the average two-bedroom apartment. Section 8 is a lifeline for many of our City's working poor – janitors, fast food workers, nurses aides, security officers, cashiers – who otherwise would find themselves homeless without the voucher assistance. H.R. 1841 places these hardworking households at risk as it does not guarantee that voucher funding would meet

the program's needs; in this scenario states would either have to contribute their own funds or scale back their programs in the following manner:

- Reducing the number of families that receive housing vouchers
- Shifting rent burdens to families participating in the program
- Limiting opportunities to use vouchers to escape high-poverty areas
- Shifting housing assistance from poor families to moderate-income families

The changes created by H.R. 1841 are not acceptable. Each of these changes would damage the program and move it from its mission of using a market-based approach that allows voucher participants to move to apartments in areas of their choice. The approach provided under the current program provides families the opportunity to move to safe, decent and affordable housing in lower-poverty neighborhoods with the outcome being reduced welfare dependence and a positive impact on employment, earnings, educational and health outcomes, and child well-being.

Congress could improve the administration and utilization of housing vouchers in a manner that is not detrimental to the well-being of families and does not disrupt the process of the existing program:

1. HUD already has the authority to reallocate unused vouchers from one administering agency to another. To add strength to this policy, Congress should consider making reallocation provisions that automatically move vouchers from communities that cannot use all their vouchers to those that can and to keep those vouchers in the same region to better accommodate people on various waiting lists in those regions.
2. Congress should consider reforms that will incentivize owners of rental property participate in the program. Areas to look at include the inspection process and payment systems to owners.
3. Congress should provide funds to assist housing voucher holders find and access available housing in their areas. Areas to be supported by a fund would include housing search assistance, outreach to landlords and counseling focusing on tenant skill building. These services could be provided directly by local housing authorities or through subcontracts to qualified community based-organizations. This model is exemplified by our existing contracts for the Homeless Section 8, Family Self-Sufficiency and Deconcentration Programs with the Housing Authorities of the City and County of Los Angeles whereby we provide essential supportive and tenant services that assist Section 8 households with securing housing and gaining economic and social self-sufficiency.

The success of the housing voucher program depends on the availability of safe, decent and affordable housing. As referenced earlier in my comments, the housing needs of the City of Los Angeles are at a crisis level. In response, the City of Los Angeles has created a \$100 million Housing Trust Fund to develop the affordable housing so sorely needed in this great city. The Section 8 Housing Voucher Program is a key piece of this historic effort by providing the rental subsidy essential to "balancing the funding equation" for developers of affordable housing. I

urge the Committee to take the example of Los Angeles and take up H.R. 1102, the National Affordable Housing Trust Fund Act of 2003. This bill, with over 200 cosponsors and 4,200 endorsements by organizations and state and local elected officials across the country, is the national vehicle for developing the resources for housing production.

Again, thank you for inviting me here today to provide testimony.

Sincerely,

Jeff Farber
Chief Operating Officer